

Comparison of House and Senate Prescription Drug Bills

| | HOUSE | SENATE |
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| How much will it cost you? | <ul style="list-style-type: none"> You will pay a premium of about \$35 each month and a \$250 annual deductible. After the \$250 deductible, you pay 20% of drug costs up to \$2,000. There is a gap in coverage until drug costs go over \$4,900. Then Medicare pays 100%. | <ul style="list-style-type: none"> You will pay a premium of about \$35 each month and a \$275 annual deductible. After the \$275 deductible, you pay 50% of drug costs up to \$4,500. There is a gap in coverage until drug costs go over \$5,813. Then Medicare pays 90% and you pay 10%. |
| What happens in the gap in coverage known as the "Doughnut Hole?" | <ul style="list-style-type: none"> You continue to pay the monthly premium <u>and</u> you pay 100% of drug costs from \$2,001 to \$4,900. 47% of all Medicare beneficiaries fall into this gap. | <ul style="list-style-type: none"> You continue to pay the monthly premium <u>and</u> you pay 100% of drug costs from \$4,501 to \$5,813. 12% of all Medicare beneficiaries fall into this gap. |
| Will it guarantee lower Rx prices? | <ul style="list-style-type: none"> No. The bill prohibits the Secretary of Health and Human Services from negotiating lower drug prices. | <ul style="list-style-type: none"> No. The bill prohibits the Secretary of Health and Human Services from negotiating lower drug prices. |
| What happens to Medicare in the future? | <ul style="list-style-type: none"> The plan changes Medicare as we know it. In 2010, Medicare will be forced to compete with private plans such as HMOs. Seniors that stay with traditional Medicare could face much higher premiums – as much as 25%. | <ul style="list-style-type: none"> There is no similar provision. |
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| When will it start? | <ul style="list-style-type: none">• Not until 2006. | <ul style="list-style-type: none">• Not Until 2006. |
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